

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

May 22, 2015

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Kauai

Forfeiture of General Lease No. S-4436, Tenrikyo Taiheiyo Kyokai, Kapaa,  
Kawaihau, Kauai, Tax Map Key: (4) 4-5-008:008

PURPOSE:

Forfeiture of General Lease No. S-4436, Tenrikyo Taiheiyo Kyokai, Lessee.

LEGAL REFERENCE:

Section 171-39, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kapaa situated at Kapaa, Kawaihau (Puna), Kauai,  
identified by Tax Map Key:(4) 4-5-008:008, as shown on the attached map labeled  
Exhibit A & B.

AREA:

0.3471 acres, more or less.

TRUST LAND STATUS:

Section 5b lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CHARACTER OF USE:

Church and allied purposes.

TERM OF LEASE:

65 years, commencing on September 1, 1975 and expiring on August 31, 2040.

ANNUAL RENTAL:

\$1,725.00 due in quarterly payments.

REMARKS:

At its meeting of January 11, 1980, Item F-8, the Board of Land and Natural Resources delegated to the Chairperson the authority to issue notices of default under the Board's leases. Pursuant to this authority and the breach provision contained in General Lease S-4436, Tenrikyo Taiheiyo Kyokai, Lessee, was served a Notice of Default by certified mail dated September 9, 2014 for: Failure to keep lease rental payments current. Said notice, accepted by the Lessee on September 10, 2014, offered the Lessee a 60-day cure period to correct the default. This cure period expired on November 10, 2014. As of April 27, 2015 this breach has not been cured, and in fact additional rent payments have become due since the notice of default was issued, which remain unpaid.

The Lessee was issued numerous Notices of Default on:

Rent:

December 21, 1995	February 19, 2003	April 25, 2008
January 12, 1996	June 26, 2003	July 11, 2008
March 9, 1996	May 25, 2004	January 31, 2011
April 11, 1997	January 14, 2005	April 29, 2011
June 27, 1997	February 17, 2005	June 29, 2012
September 24, 1997	July 6, 2005	September 10, 2012
September 22, 1998	September 16, 2005	June 28, 2013
February 2, 1999	March 29, 2006	January 3, 2014
February 14, 2002	September 21, 2006	March 10, 2014
April 30, 2002	January 4, 2007	April 2, 2014
December 30, 2002	March 29, 2007	September 9, 2014

The Lessee was also served a Notice of Default by certified mail for Failure to Post required Liability Insurance Policy. Currently, policy lapsed on February 19, 2015.

Liability Insurance:

November 15, 1996	March 13, 2000	April 29, 2011
February 5, 1997	May 7, 2002	April 2, 2014
February 19, 1998	July 3, 2009	

The Lessee was also served a Notice of Default by certified mail dated December 23, 2014 for: Failure to pay sewer charges. Said notice, accepted by the Lessee on January 7, 2015, offered the Lessee a 60 day cure period to correct the default. This Cure period expired on February 22, 2015. As of April 27, 2015 this breach has not been cured.

Sewer:

May 3, 2011	December 27, 2012	August 26, 2014
February 22, 2012	March 6, 2013	December 23, 2014
September 5, 2012	October 21, 2013	

The Lessee was also served a Notice of Default by certified mail dated September 8, 2013 for: Failure to comply with Section 5. Sanitation, etc. 10. Repairs and improvements. 13 Subletting. Said notice, accepted by the Lessee on September 8, 2013, offered the Lessee a 60 day cure period to correct the default. This Cure period expired on November 8, 2013. As of April 27, 2015 this breach has not been cured.

As of April 27, 2015, the current status of all lease compliance items is as follows:

**RENT:** The Lessee has a rental delinquency of \$3,831.00 for the time period from June 1, 2013 to February 28, 2015.

**INSURANCE:** The Lessee liability/fire insurance policy expired on February 19, 2015.

**PERFORMANCE BOND:** The Lessee has posted the required performance bond. This bond is in the form of a joint savings account with Central Pacific Bank Savings.

**OTHER:** The Lessee is in violation of:

Section 5. Sanitation, etc. That the Lessee shall keep premises and improvements in a strictly clean, sanitary and orderly condition and free from trash, inflammable matter and other objectionable matter.

Section 7. Compliance with laws. That the Lessee shall Comply with all of the orders and requirements of the Lessor and county, all municipal, state and federal authorities and shall also comply with and observe all municipal, county, state and federal ordinances, rules and regulations and laws, pertaining to said premises which are now or may hereinafter be in force.

Section 10. Repairs to improvements. That the Lessee shall, at its own expense, keep, repair and maintain all buildings and improvements now existing or hereafter constructed or install on the premises in good order, condition and repair, reasonable wear and tear excepted.

Section 13. Subletting. That the Lessee shall not rent or sublet the whole or any portion of the premises, without the prior written approval of the Board;

Section 21. Building requirements.

(d) All building construction shall be in full compliance with all laws, rules and regulations of the federal, state and county governments.

In the past year, Lessee was issued eight Notices of Defaults for delinquent Sewer Charges, required Liability Insurance Policy and Late Rental payments. The Lessee continues to show a consistent pattern of delinquency.

An inspection of the property was conducted on September 5, 2013. The inspection was requested by a concerned community member who had observed unusual activity in and around one of the homes on the property. During the inspection, the older home on the property was found to be in poor and unsanitary condition. The power meter was removed and it appeared that power was being used from the adjacent building by way of an extension cord. The Lessee's representative was unable to tell staff who was living in the home and claimed that people were living in the home without their permission.

A front portion of building #1 is being used for Church purposes. The rear section of building #1 and all of building #2 along with illegal additions appears that the primary use of the structures is for residential use.

Illegal additions to building #2 violate the county set-back ordinance and no construction drawings were approved by the Board, and no building permits were issued. Staff is awaiting a final report from the County of Kauai's Planning Enforcement Division. See Exhibit C.

There have been numerous complaints and investigations by the Kauai Police Department of illegal activities, drug dealings, family abuse, etc. See Exhibit D.

Staff recommends termination under the breach section of General Lease No. S-4436 due to Lessee's continued breach of terms and conditions of the lease.



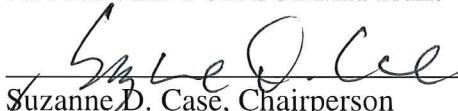
RECOMMENDATION: That the Board:

1. Authorize the cancellation of General Lease No. S-4436 in the manner specified by law;
2. Authorize the retention of all sums heretofore paid or pledged under General Lease No. S-4436 to be applied to any past due amounts;
3. Terminate the lease and all rights of Lessee and all obligations of the Lessor effective as of May 22, 2015, provided that any and all obligations of the Lessee which have accrued up to said effective date or which are stated in the lease to survive termination shall endure past such termination date until duly fulfilled, and further provided that Lessor reserves all other rights and claims allowed by law; and
4. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under General Lease No. S-4436 and to pursue all other rights and remedies as appropriate.

Respectfully Submitted,

  
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Marvin Mikasa  
District Land Agent

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
Suzanne D. Case, Chairperson





Zoom County Zoom to Box Zoom In Zoom Out Panby Hand Get Info Zoom To Parcel Center On Parcel Measure Area Tool Print Page Search Sales Additional Options

Kauai Home / Property Search

**Controls**

Available Layers

- ☒ Parcels
- ☐ Parcel Numbers
- ☐ Address #
- ☐ Yearly Sales
- ☐ Buildings
- ☐ Streets (Google)
- ☐ Satellite (Google)
- ☒ Hybrid (Google)
- ☐ Physical (Google)

Show Scale

Copyright © 2015 Google. All rights reserved. 15° 10' 10" N, 155° 13' 05" W, 155° 13' 05" W, 155° 13' 05" W

House of Noodles

Vicky's Fabric Shop

awamoto's Maytag Home Appliance

Music Center

Kauwila St

BLDG 42

BLDG 41

Waipoli Park

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**Reports**

Parcel

View as: [Google Earth](#) | [Bird's Eye](#) | [Google Maps & Street View](#)

Selected Parcel	450080080000 (Click for Card)
Tax Classification	Residential
Acreage	0.3471
Physical Address	1326 INIA ST
Owner	STATE OF HAWAII
Total Market Value	\$ 967,300
Total Assessed Value	\$ 967,300
Total Exemptions	\$ 967,300
Total Net Taxable Value	\$ 0
Improvements on Parcel	
Total Improvement Area (sq ft)	4,618
Two most recent parcel sales	
Date	Price

Website last updated April 28, 2015  
GIS Maps last updated November 19, 2013

Parcel List

Legend

Measure

Kauai County makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll.

**EXHIBIT "B"**



BLDG #2

GL 5-4436



ILLEGAL ADDITIONS



EXHIBIT "C"



Primary_Case_Number_	Case_number_	Classification	Address_	Date_Report_	Date_Incident_	Officer_Name_
	2010-6493	Criminal Trespass 2	NEXT 1326 INIA STREET	3/20/2010	3/20/2010	JENKINS, CHRISTIAN D
	2010-8450	Misc Pub - Welfare Check	1326 INIA STREET	4/14/2010	4/14/2010	HSU, HANSON S
	2010-9379	Misc Pub - Other	1326 Inia STREET	4/27/2010	4/27/2010	SOKEI, SHANE Y
	2010-18334	Misc Pub - Domestic	1326 INIA STREET	8/15/2010	8/15/2010	SILVA, BRIAN
	2011-23068	Misc Pub - Domestic	1326 INIA STREET	9/12/2011	9/12/2011	RIVERA, MAKANA A
	2011-31846	Family Abuse	1326 INIA STREET	12/31/2011	12/31/2011	MILLOY, DANIEL K
2011-31846	2012-00037	Family Abuse	1326 INIA STREET	12/31/2011	12/30/2011	MILLOY, DANIEL K
	2013-00780	Misc Pub - Domestic	1326 INIA STREET	1/10/2013	1/10/2013	SCALZO, JASON D
	2013-02078	Family Abuse	1326 INIA STREET	1/25/2013	1/25/2013	SCALZO, JASON D
	2013-03470	Misc Pub - Other	1326 INIA STREET	2/12/2013	2/12/2013	LEINES, JOSHUA L
	2013-05543	Disorderly Conduct	1326 INIA STREET	3/9/2013	3/9/2013	SCALZO, JASON D
	2013-06817	UCPV	1326 INIA STREET	3/24/2013	3/23/2013	CREAMER, DANNY L
	2013-08926	Misc Pub - Other	1326 INIA STREET	4/17/2013	4/17/2013	RIVERA, MAKANA A
	2013-23547	Place To Keep - Revolver	Kauwila Rd in the vic of 1326 Inia st	11/26/2013	11/26/2013	Magayanes irvin u
	2014-03818	Misc Pub - Domestic	1326 INIA ST	4/2/2014	4/2/2014	Meenagh timothy p

**EXHIBIT "D"**